FOR MORE ACCESSIBLE HOUSING

Towards a more caring society

Québec

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MORE ACCESSIBLE HOUSING FOR A MORE CARING SOCIETY

In the *2002-2003 Budget Speech*, the government announced investments of almost $500 million to build 13 000 affordable rental housing units and renovate another 27 000.

To bolster this action and help permanently relieve the shortage of housing, the government is announcing additional investments of $270 million divided among four components:

— over 20 200 housing units will be built over five years;

— 3 704 fewer households will suffer the harmful effects of the housing shortage;

— the homes of 13 010 older persons and people in difficulty will be adapted to their needs;

— home renovations for 17 000 households.

Overall, these initiatives will benefit almost 54 000 Québec households, chiefly in municipalities where the housing shortage is most severe, namely Québec City, Montréal and Gatineau.

GOVERNMENT INVESTMENTS IN HOUSING AND NUMBER OF ASSISTED HOUSEHOLDS – 2003-2004 BUDGET

	Investments ($ millions)	**Number of assisted households**
More than 20 200 housing units will be built over five years		
– 5 000 new units announced in the *2003-2004 Budget Speech*	69.7	5 000
– Speeding up construction of the 13 000 units announced in the *2002-2003 Budget Speech*	43.6	13 000
– Speeding up construction of the 2 200 units to be delivered under the *1997-2002 government action plan on housing*	14.2	2 200
Sub-total	***127.6***	**20 200**
3 704 fewer households will suffer the harmful effects of the housing shortage	21.3	3 604
The homes of 13 010 older persons and people in difficulty will be adapted to their needs	46.8	13 010
Home renovations for 17 000 households	71.0	21 000
Total	269.7	57 914

MORE THAN 20 200 HOUSING UNITS WILL BE BUILT OVER FIVE YEARS

5 000 new housing units announced in the 2003-2004 Budget Speech

The *Logement abordable Québec* program was set up in February 2002. The program has two components:

— The social and community component particularly targets housing cooperatives and non-profit organizations. It supports the construction of affordable rental housing for low-income households. In return, these households pay a reduced rent ranging, for example, between $350 and $500 per month for a heated two-bedroom unit.

— The private component, which supports the construction of housing by private builders, essentially benefits middle-class households. For example, housing made available under this program rents for about $700 a month for a heated two-bedroom unit.

Additional resources are needed to secure a sustainable improvement in access to housing. Many low-income households still have difficulty finding adequate housing because of a lack of supply and because their income puts a high rent beyond their reach. In addition, it is also important to foster access to private rental housing suitable for middle-class households.

Consequently, to bolster construction of new social, community and private housing, the government will invest a further $70 million in *Logement abordable Québec*, leading to the construction of:

— 2 000 units to the social and community component;

— 3 000 units to the private component.

***LOGEMENT ABORDABLE QUÉBEC* – MAXIMUM AUTHORIZED RENTS, TWO-BEDROOM UNIT**[1]
(Dollars per month)

	Social and community component	Private component
Metropolitan Québec City	542	810
Montréal	532	810
Gatineau	618	810

1 Including hot water, residential electricity and heating.

Speeding up construction of the 13 000 units announced in the 2002-2003 Budget Speech

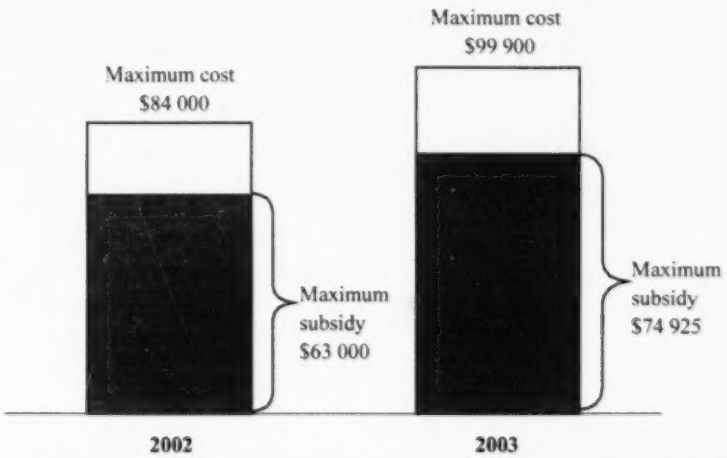
With the rise in building costs, many housing partners want more support to facilitate and accelerate implementation of housing projects under the *AccèsLogis Québec* and *Logement abordable Québec* programs (these programs are described in Appendix 3).

The government substantially improved these two programs last December, in particular by raising the maximum cost of eligible building work.

For instance, the maximum subsidy for eligible building work for the social and community component of *Logement abordable Québec*, for construction of a two-bedroom unit in Montréal, now stands at $74 925 compared with $63 000, an increase of almost 19%.

To fund these measures, the government will invest $44 million to accelerate construction of these 13 000 units.

LOGEMENT ABORDABLE QUÉBEC – SOCIAL AND COMMUNITY COMPONENT
MAXIMUM ELIGIBLE SUBSIDY FOR A TWO-BEDROOM UNIT IN MONTRÉAL[1]



1 Projects for families, persons living alone and independent older persons.

Speeding up construction of the 2 200 units to be delivered under the 1997-2002 government action plan on housing

The *1997-2002 government action plan on housing* called for the construction of 6 400 housing units as part of the *AccèsLogis Québec* program.

The government will invest $14 million to accelerate construction of the 2 200 units authorized under this plan[1] to be delivered over the next two years, i.e.:

— 1 300 units in 2003;

— 900 units in 2004.

1 The time between the commitment by the Société d'habitation du Québec, which approves the construction project, and delivery of a housing unit ranges between 12 and 14 months, which explains why some units committed under the *1997-2002 government action plan on housing* will be delivered in 2003 and 2004.

20 200 affordable rental housing units brought to market from 2003 to 2007

With the measures announced in the *2003-2004 Budget Speech* and those in earlier budgets, the Société d'habitation du Québec, in partnership with municipalities and other partners, will be in a position to bring 20 200 new low-cost and affordable rental housing units to market over five years, i.e.:

— 5 000 units announced in this budget;

— 13 000 units announced in the *2002-2003 Budget Speech*;

— 2 200 units under the *1997-2002 government action plan on housing.*

Furthermore, the new units will be brought to market at a much faster rate. This means that low and middle-income households in Québec will have access to:

— 4 362 more units in 2003;

— 5 468 more units in 2004;

— 4 270 more units in 2005;

— 4 250 more units in 2006;

— 1 850 more units in 2007.

FORECAST NUMBER OF LOW-COST AND AFFORDABLE RENTAL HOUSING UNITS BROUGHT TO MARKET FROM 2003 TO 2007
(Number of units delivered)

Calendar year	*AccèsLogis Québec*	*Logement abordable Québec*			Total
		Social and community component	Private component	Total	
2003	2 600[1]	762	1 000	1 762	4 362
2004	2 200[2]	1 640	1 628	3 268	5 468
2005	1 300	1 470	1 500	2 970	4 270
2006	1 300	1 450	1 500	2 950	4 250
2007	1 300	550	0	550	1 850
Total	**8 700**	**5 872**	**5 628**	**11 500**	**20 200**

1 Including 1 300 units under the *1997-2002 government action plan on housing.*

2 Including 900 units under the *1997-2002 government action plan on housing.*

3 704 FEWER HOUSEHOLDS WILL SUFFER THE HARMFUL EFFECTS OF THE HOUSING SHORTAGE

New assistance program for homeless households

Over the last two years, the government has acted to support households affected by the housing shortage, particularly during the month of July.

With the vacancy rate still very low, the Québec government, in concert with the municipalities, will implement a new assistance program for homeless households, chiefly for next July.

This program, which will last one year, will receive total funding of $3.2 million that will provide assistance to over 1 000 households. The Minister for Housing will soon announce the details of the program.

The emergency rent supplement provided during the summer of 2001 will be extended until July 1, 2004 for 500 households

Québec experienced a severe housing shortage in the summer of 2001. The government reacted quickly by providing 500 households with an emergency rent supplement for two years. These grants, averaging $267 per month, will gradually expire over the course of the summer.

Since the vacancy rate remains low, households receiving the emergency rent supplement will still have trouble finding new affordable housing.

Consequently, the emergency rent supplements granted to 500 households in the summer of 2001 will be extended until July 1, 2004 to enable these households to remain in their current housing.

The rent supplement for 2 104 households under Résolution-Montréal, Achat-Rénovation and AccèsLogis Québec will be extended until March 31, 2008

The *Résolution-Montréal*, *Achat-Rénovation* and *AccèsLogis Québec* programs stipulate that, for a certain proportion of housing units, households can receive a rent supplement for five years. This assistance enables the household to pay rent limited to 25% of its income.

To date, under these three programs, 2 104 low-income households have received a rent reduction equivalent to an average of $200 per month. Rent supplements for these households will gradually come to an end over the coming years:

— 528 households in 2003-2004;

— 339 households in 2004-2005;

— 396 households in 2005-2006;

— 299 households in 2006-2007;

— 542 households in 2007-2008.

To prevent these households from losing their homes because they cannot pay a high rent, the government announced, last December, that it would extend the rent supplements until March 31, 2008.

To fund this measure, the government will invest $16.5 million over five years.

Rent supplement

Rent supplements are provided through agreements signed with private landlords, who undertake to make units in their buildings available to the households concerned.

The rent supplement enables the household to pay a rent amounting to 25% of its income for the calendar year preceding the signature of the lease. The Société d'habitation du Québec pays the difference between the rent payable by the tenant and the actual rent set in the lease

For most households receiving this assistance, no limit is set a priori *on the length of time they can receive it. The government also provides two types of time-limited rent supplement:*

- *the emergency supplement, limited to two years;*
- *the supplements limited to five years provided under the* Résolution-Montréal, Achat-Rénovation *and* AccèsLogis Québec programs.

Encourage home-ownership for low-income households

Home-ownership remains one of the best forms of long-term saving for low-income households. Even though interest rates are low, the proportion of tenants remains relatively higher in Québec than elsewhere.

For these reasons, the government will introduce a temporary program to encourage low-income households to access community ownership, via the savings cooperative formula in particular.

This three-year program will receive total funding of $3 million. The Minister for Housing will announce the details of the program.

THE HOMES OF 13 010 OLDER PERSONS AND PEOPLE IN DIFFICULTY WILL BE ADAPTED TO THEIR NEEDS

Speed up processing of Residential Adaptation Assistance Program applications

Many people have difficulty finding adequate housing on the private market because of specific problems. This is true of persons with disabilities for whom housing adapted to their handicap may be a more attractive option than institutionalization.

The *Residential Adaptation Assistance Program* covers the full cost of adaptations up to $16 000 for a homeowner, $8 000 for a tenant and $4 000 for a roomer. Financial assistance averages $12 700 per recipient.

With the need for residential adaptations growing among persons with disabilities, there are already many applications for assistance on the waiting list of the *Residential Adaptation Assistance Program*. Including the new applications in 2002-2003, approximately 3 750 applications will be on the waiting list by March 31, 2003.

To speed up processing of these applications, Québec's financial contribution to the *Residential Adaptation Assistance Program* for the next three fiscal years will rise from $3.8 million to $13.4 million per year, an annual increase of $9.6 million, enabling 1 180 applications to be processed annually rather than 330.

Specific budget to upgrade chair lifts

Since 1991, under the *Residential Adaptation Assistance Program*, the Société d'habitation du Québec has funded the installation of chair lifts. These devices resemble mini-elevators that can be installed either indoors or outdoors for individuals in wheel chairs.

Roughly 3 460 chair lifts installed under the *Residential Adaptation Assistance Program* should be checked and, if necessary, adjusted to correct any safety risk to users.

To check these chair lifts and make any necessary adjustments, specific funding of $10 million will be allocated to the Société d'habitation du Québec to upgrade chair lifts subsidized under the *Residential Adaptation Assistance Program*. The process will be carried out over three years.

Improvement to the Home Adaptations for Seniors' Independence program

The number of households consisting of older persons has risen for many years. Some of these households have specific housing needs associated with their diminished abilities. The private market has not always responded to these needs.

Accordingly, the *Home Adaptations for Seniors' Independence* program was introduced in 1996. With annual funding of $4 million, this program enables low-income individuals 65 or over to make minor adaptations to their home so they can continue living there with greater independence and safety.

The maximum grant provided under the program is $2 500. As at November 1, 2002, almost 8 000 households had received financial assistance averaging $1 750 per household.

Because of the aging of the population, the need for residential adaptation among seniors will continue to grow. Older persons want to live as long as possible in their homes, and there is limited capacity to receive new residents in public and private residence for older persons.

To boost the supply of adapted housing for older persons, Québec's financial contribution to the *Home Adaptations for Seniors' Independence* program will be doubled from $1 million to $2 million per year for the next three fiscal years.

New program to encourage seniors to live with their families

Québec's population is aging and a growing proportion of older persons needs physical or psychological support on a daily basis. Home care or support provided by the family is often an alternative that is both more economical and better suited to improve the quality of life of older persons compared to institutional and public services.

The government will set up a program to encourage seniors to live with their families by contributing to the adaptation of a housing unit for a family member.

Under this program, a subsidy equal to 50% of the required work, up to $5 000, will be provided to enable the owner of a principal residence to house a relative. Approximately 1 000 households will be able to receive financial assistance.

The program will last three years and have total funding of $5 million. The Minister for Housing will announce the details of the program.

HOME RENOVATIONS FOR 17 000 HOUSEHOLDS

Rénovation Québec *extended for two years*

Physical deterioration and a declining quality of life are a fact in some central neighbourhoods. In many of these old neighbourhoods, this situation causes problems taking the financial limitations of households living there into account.

Accordingly, work must continue to preserve the quality of the housing stock so low-income households can continue to live in quality housing.

Consequently, the *Rénovation Québec* program will be extended for two years, to 2005-2006, with funding of $55 million per year. This initiative will benefit 11 000 households.

RénoVillage *extended for two years*

Many homes occupied by low-income owners in rural areas are in need of major repairs. The government set up the *RénoVillage* program to assist these households.

Under this program, low-income homeowners living in rural areas can receive a maximum grant of $6 500 to correct one or more major defects in their home. Since it was set up, *RénoVillage* has contributed to the renovation of over 12 000 units.

However, the number of homes in need of major repairs among low-income owners remains relatively high in rural areas. To support residential renovation in rural areas and encourage the development of village centres, the *RénoVillage* program will be extended for two years, to 2005-2006, with funding of $8 million per year. This initiative will benefit 6 000 households.

APPENDIX 1:
INVESTMENTS IN HOUSING

ADDITIONAL GOVERNMENT INVESTMENTS IN HOUSING AND NUMBER OF ASSISTED HOUSEHOLDS– 2002-2003 AND 2003-2004 BUDGETS

	2002-2003 Budget		2003-2004 Budget	
	Investments ($ million)	**Number of assisted households**	**Investments ($ million)**	**Number of assisted households**
Over 20 200 housing units will be built over five years				
– 5 000 new units announced in the *2003-2004 Budget Speech*	–	–	69.7	5 000
– Speeding up of construction of the 13 000 units announced in the *2002-2003 Budget Speech*	361.6	13 000	43.6	13 000
– Speeding up of construction of the 2 200 units to be delivered under the *1997-2002 government action plan on housing*	–	–	14.3	2 200
Sub-total	***361.6***	***13 000***	***127.6***	***20 200***
3 704 fewer households will suffer the harmful effects of the housing shortage				
– New assistance program for homeless households	–	–	3.2	1 000[1]
– The emergency rent supplement provided during the summer of 2001 will be extended until July 1, 2004 for 500 households	–	–	1.6	500
– The rent supplement for 2 104 households under *Résolution-Montréal*, *Achat-Rénovation* and *AccèsLogis Québec* will be extended until March 31, 2008	–	–	16.5	2 104
– Support home-ownership for low-income households	–	–	3.0	100
Sub-total	***–***	***–***	***24.3***	***3 704***
The homes of 13 010 older persons and people in difficulty will be adapted to their needs				
– Speed up processing of *Residential Adaptation Assistance Program* applications	–	–	28.8	2 550
– Specific budget to upgrade chair lifts	–	–	10.0	3 460
– Improvement to the *Home Adaptations for Seniors' Independence* program	–	–	3.0	6 000
– New program to encourage seniors to live with their families	–	–	5.0	1 000
Sub-total	***–***	***–***	***46.8***	***13 010***
Home renovations for 17 000 households				
– Rénovation Québec extended for two years	95.0	21 200	55.0	11 000
– RénoVillage extended for two years	16.0	6 000	16.0	6 000
Sub-total	***111.0***	***27 200***	***71.0***	***17 000***
Total	**472.6**	**40 200**	**269.7**	**53 914**

1 Estimate that could vary depending on the needs of homeless households.

APPENDIX 2:
FINANCIAL IMPACT OF MEASURES

FINANCIAL IMPACT OF MEASURES – 2003-2004 BUDGET

	2003-2004	2004-2005	2005-2006	Total
Over 20 200 housing units will be built over five years				
– 5 000 new units announced in the *2003-2004 Budget Speech*	-3.6	-5.8	-8.0	-17.4
– Speeding up of construction of the 13 000 units announced in the *2002-2003 Budget Speech*	-0.1	-0.5	-1.3	-1.9
– Speeding up of construction of the 2 200 units to be delivered under the *1997-2002 government action plan on housing*	-0.0	-0.3	-0.9	-1.2
Sub-total	***-3.7***	***-6.6***	***-10.2***	***-20.5***
3 704 fewer households will suffer the harmful effects of the housing shortage				
– New assistance program for homeless households	-2.4	-0.8	0.0	-3.2
– The emergency rent supplement provided during the summer of 2001 will be extended until July 1, 2004 for 500 households	-1.2	-0.4	0.0	-1.6
– The rent supplement for 2 104 households under *Résolution-Montréal*, *Achat-Rénovation* and *AccèsLogis Québec* will be extended until March 31, 2008	-1.3	-2.2	-3.3	-6.8
– Support home-ownership for low-income households	-1.0	-1.0	-1.0	-3.0
Sub-total	***-5.9***	***-4.4***	***-4.3***	***-14.6***
The homes of 13 010 older persons and people in difficulty will be adapted to their need				
– Speed up processing of *Residential Adaptation Assistance Program* applications	-5.8	-8.6	-9.6	-24.0
– Specific budget to upgrade chair lifts	-1.8	-3.3	-3.3	-8.4
– Improvement to the *Home Adaptations for Seniors' Independence* program	-1.0	-1.0	-1.0	-3.0
– New program to encourage seniors to live with their families	-0.6	-1.6	-2.0	-4.2
Sub-total	***-9.2***	***-14.5***	***-15.9***	***-39.6***
Home renovations for 17 000 households				
– *Rénovation Québec* extended for two years	2.3	-2.0	-6.2	-5.9
– *RénoVillage* extended for two years	0.0	-1.6	-6.4	-8.0
Sub-total	***2.3***	***-3.6***	***-12.6***	***-13.9***
Total	**-16.5**	**-29.1**	**-43.0**	**-88.6**

APPENDIX 3:
DESCRIPTION OF THE MAJOR PROGRAMS

Logement abordable Québec - social and community component

Description

- The program targets housing cooperatives, non-profit organizations and acquiring corporations, as well as municipal corporations and housing boards.
- The program focuses on new housing construction, conversion or recycling of buildings not currently used for residential purposes and renovation of severely degraded housing.
- Housing completed under this component of the program is made available at affordable rents to low-income households, i.e. between $350 and $500 per month for a heated two-bedroom unit.
- Rent increases cannot exceed limits set by the Société d'habitation du Québec during 15 years.

Types of projects

Housing for low and moderate-income households or for seniors with slightly diminished abilities.

- New construction and recycling projects where the vacancy rate is below 3%.
- Renovation projects throughout Québec.
- Projects for seniors with slightly diminished abilities where needs justify.

Financial assistance

Maximum financial assistance:

– Québec and federal governments:	60%
– Local contribution:	15%
– Total:	75% of completion costs

Logement abordable Québec – private component

Description

- The program mainly targets private-sector builders.
- The maximum monthly rent varies with the type of housing and is set by the municipality, as directed by the Société d'habitation du Québec. It should start at about $700 on average for a heated two-bedroom unit.
- The landlord undertakes to comply with the maximum rents and subsequent authorized increases for ten years following completion. In addition, the landlord may not, during the ten years, convert the residential units into condominiums.

Types of projects

- The program focuses exclusively on new rental units, either through new construction or conversion of buildings not currently used for residential purposes.

Financial assistance

- The maximum financial assistance varies with the type of housing and the municipality.

AccèsLogis Québec

Description

- The AccèsLogis Québec program enables housing cooperatives and non-profit organizations to produce, with a minimum local contribution, community housing for low-income households.
- Additional grants are available in the following cases:
  - up to $5 000 per unit, for the cost of adapting units for persons with disabilities;
  - up to $4 000 per unit, for projects located in remote regions where building costs are higher: Abitibi-Témiscamingue, Côte-Nord, Gaspésie–Îles-de-la-Madeleine, Nord-du-Québec.
- In addition, the Société d'habitation du Québec guarantees the first mortgage loan contracted with an approved financial institution under the program. In general, the loan is amortized over 25 years.

AccèsLogis Québec (continued)

Component	Financial assistance for construction		*Percentage of households receiving a rent supplement*[1] (% of tenant households in the project)
COMPONENT 1			
Permanent housing for low-income households: families, single persons, independent older persons, independent persons with disabilities	• Québec: • Local: • Total:	50% 15% (5% à 15%) 65% of completion costs	20% minimum and 50% maximum of those receiving a supplement
COMPONENT 2			
Permanent housing with services for older persons with slightly diminished abilities	• Québec: • Loca: 15% • Total:	50% 65% of completion costs	20% minimum and 50% maximum of those receiving a supplement
COMPONENT 3			
Housing with services for individuals with special housing needs			
For permanent or transition housing	• Québec: • Local: • Total:	50% 15% 65% of completion costs	20% minimum and up to 100% of those receiving a supplement
For emergency housing (room)	• Québec: • Local: • Total:	66% 15% 81% of completion costs	Ineligible
Temporary housing (for women or young people who are victims of domestic violence)	• Québec: • Local: • Total:	100% 0% 100% of completion costs	Ineligible

1 The rent supplement consists of financial assistance for low-income households that would have to pay in excess of 25% of their family income in rent without this additional assistance.